

Approved For Release 2003/08/26 : CIA-RDP80R01443R000200380006-4

NSC BRIEFING

29 July 1954

CHINA COAST INCIDENTS

I. First was at 0845 local time on 23 July, when two Chinese Communist conventional fighter planes shot down British C-54 commercial airliner off coast of Hainan.

A. Airliner apparently was attacked about 30 miles south of Hainan, was ditched five miles off southeast coast.

B. Of 12 passengers and six crewmen, eight were picked up by U.S. amphibian from Clark Field in Philippines.

C. Three U.S. citizens

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[redacted] seven others, were lost.

II. On 26 July, carrier-based U.S. attack bombers searching this general area clashed with Chinese conventional fighters.

A. After photographing two Polish merchants and an escorting Chinese gunboat about six miles off Hainan, our planes were pursued by two LA-9's and attacked at point about 15 miles off Hainan.

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B. Our planes downed one of Chinese planes at that point, while other was pursued and shot down in coastal waters.

III. Attack on British airliner 23 July was first appearance of Chinese Communist tactical aircraft in Hainan area.

A. Planes apparently from newly-activated mainland base at Suichi, on Leichou peninsula, but could also have staged from inferior fields on Hainan.

B. Suichi, one of China's largest facilities, has runway of 8,000 to 10,000 feet, which if paved would be ideal for jet patrols in South China waters.

C. Hainan has three fields, all in poor condition but suitable for propeller fighters in emergencies--one in north at Hoihow, two in south at Sanya and Folo.

D. Unknown number of TU-2 bombers and LA-11 fighters, both propeller types, apparently moved to Suichi from East China about 20 July.

IV. Moving of planes to Suichi, and attack on British airliner, both seem related to desire protect Bloc shipping en route China.

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- A. Since 23 June, when Soviet tanker Tuapse was seized by Chinese Nationalist forces about 100 miles south of Formosa, not one Bloc merchant vessel with strategic cargo from Europe has tried to proceed to China port north of Formosa.
- B. Shipping bound to South China port of Whampoa since 10 July now totals at least eight vessels, including two Soviet tankers, two Polish freighters.
- C. This deflection of Bloc shipping has really hurt Peiping, as normally 30,000 tons of strategic cargo from Europe are delivered each month for use in North China and Manchuria.
- D. Between 17 and 20 July, Soviet tanker, believed to be the Leningrad, was given extensive MIG-15 air cover while sailing up Pearl River estuary to Whampoa.

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E. Soviet tanker Batumi probably near Hainan 23 July; this may have prompted attack on airliner.

F. Immediately after US planes buzzed Polish freighters on 26 July, escorting gunboat apparently sent distress message, as Chinese fighters arrived in 25 minutes.

V. Concern over safety of shipping, following Tuapse incident, clearly displayed in Chinese Communist propaganda this month and in Peiping's notes to U.K. and U.S. on recent incidents.

A. Since 9 July, one of main charges in greatly intensified Peiping propaganda on Formosa has been that U.S. is supporting Nationalists in acts of piracy against merchant vessels.

B. Peiping's unprecedented apology to U.K., claiming airliner mistaken for Nationalist aircraft, cites Nationalist "piratical interception and robbery of merchant vessels."

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C. Peiping's protest to U.S. on 26 July clash alleges U.S. "strafing" of Polish merchant ships, also U.S. support of Nationalists in interception and robbery of "merchant ships of various nations sailing to China for trade."

VI. Chinese protest of 26 July warns U.S. to cease "such acts of aggression" or "suffer the consequences."

A. Chinese Communists now providing both air and naval protection for Orbit merchant vessels in South China waters, may force issue by attempting escort vessels through Formosa Strait to North China ports.

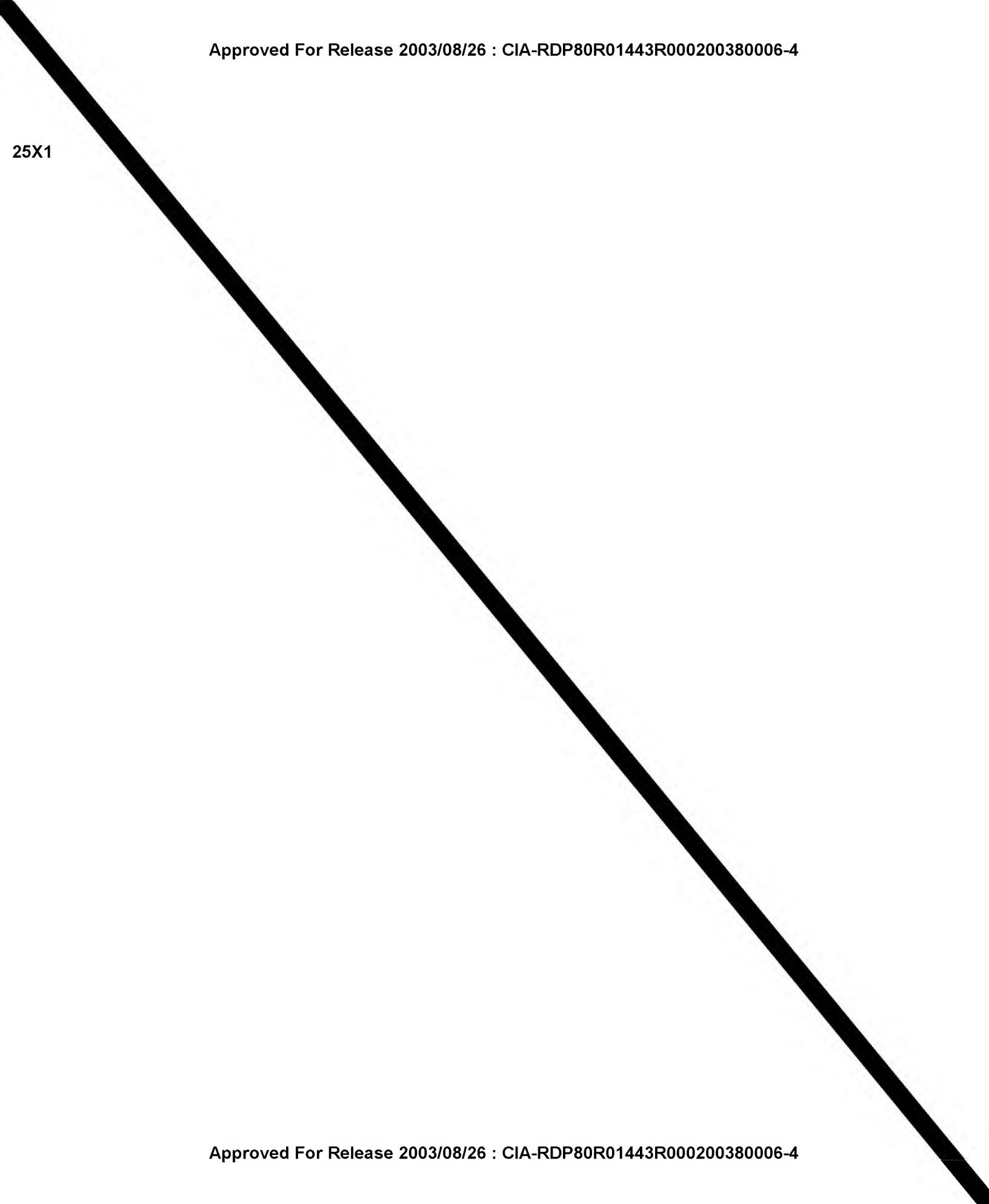
B. Chinese Communists could conduct co-ordinated assault on Nationalist-held offshore islands as blow to U.S. prestige.

C. Communist strength in East China more than sufficient to take Tachen or Matsu Island groups (29-00 to 25-30 North) at any time.

D. Further possibility is for Chinese Communist air attacks on Formosa.

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